## HOUSE . . . . . . . . . . . . . . . . No. 4223 [LOCAL APPROVAL RECEIVED.]

## The Commonwealth of Massachusetts

PRESENTED BY:

William N. Brownsberger, Steven A. Tolman

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act amending Chapter 97 of the Acts of 2007 relative to the Town of Belmont Other Post Employment Benefits Trust Fund.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
William N. Brownsberger	24th Middlesex
	Second Suffolk and Middlesex

## The Commonwealth of Massachusetts

In	the	Year	Two	Thousand	and	Nine

An Act amending Chapter 97 of the Acts of 2007 relative to the Town of Belmont Other Post Employment Benefits Trust Fund.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1	ARTICLE 28: Home Rule Petition - Amendment to OPEB Fund Enabling					
2	Legislation					
3	To see if the Town will vote to authorize the Board of Selectmen to file a home rule petition with the					
4	General Court as set forth below; provided, however, that the General Court may make clerical or					
5	editorial changes of form only to the bill, unless the Board of Selectmen approves amendments to the b					
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7 8	authorized to approve amendments which shall be within the scope of the general public objectives of the petition:					
9	`AN ACT AMENDING CHAPTER 97 OF THE ACTS OF 2007 RELATIVE TO THE TOWN OF					
10	BELMONT OTHER POST EMPLOYMENT BENEFITS TRUST FUND.					
11	Be it enacted by the Senate and House of Representatives in General Court assembled,					
12	and by the authority of the same, as follows:					
13	SECTION 1. Chapter 97 of the Acts of 2007, entitled, "An Act Authorizing the Town of Belmont					
14	to Establish an Other Postemployment Benefits Fund," is hereby amended by deleting th					
15	text of section two of said act in its entirety, and inserting in place thereof the following:					
16	(a) Notwithstanding any general or special law to the contrary, the town of Belmont may					
17	appropriate funds in order to offset the anticipated cost of premium payments for or					
18	direct payments for OPEB benefits to be made to retired employees of the town and to					
19	any eligible surviving spouse of or dependents of deceased employees of the town. The					
20	town Treasurer shall transfer funds to a special trust fund to be known as the Belmont					
21	Other Post Employment Benefits Trust Fund (the "Trust Fund") as such funds become					
22	available. The Trust Fund shall be irrevocable as required by GASB 43 and 45.					

Beginning in fiscal year 2008 the Trust Fund shall be credited with i.) all amounts

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(b)

appropriated or other wise made available by the town for purposes of meeting the
current and future costs of OPEB costs payable by the town, and ii.) all amounts
contributed or otherwise made available by employees of the town for the purpose of
meeting future OPEB costs payable by the town. Any interest or other income earned by
such fund shall be added to and become a part of the fund. Except as otherwise expressly
provided herein, any amounts expended from such fund shall be expended only for the
costs payable by the town for OPEB benefits.

31 The Belmont contributory retirement board shall be the custodian of such fund and (c) may employ an outside custodial service to hold the monies in the fund. The Belmont 32 33 contributory retirement board may invest and re-invest the monies held in the fund not 34 required for current disbursement in accordance with the investment powers granted 35 retirement boards under G.L. c. 32,  $\S23(2)(g)$  and in accordance with the regulations of the public employees retirement administration commission and with any applicable 36 37 general law. All monies held in the Trust Fund shall be segregated from other funds 38 held by the Belmont retirement board and by the town. Trust Fund monies shall not be 39 subject to the

- claims of the town's general creditors. The Trust Fund shall be subject to the public
   employee retirement commission's triennial audit and the town's contributory retirement
   system annual audit.
- 43 (d) The Belmont contributory retirement board may employ any qualified bank, trust
  44 company, corporation, firm or person to provide advice on the investment of amounts
  45 held in the Trust Fund and to prepare any required actuarial study and may pay for any
  46 such advice or service from amounts held in the fund. Procurement for these services
  47 shall be subject to the procurement procedures and rules followed by the Belmont
  48 contributory retirement board for services to the town's contributory retirement system.
- 49 If civil action is brought against a member of the retirement board, the defense or (e) settlement of which action is made by an attorney employed by the retirement board, the 50 member shall be indemnified for all expenses incurred in the defense of this action and 51 shall be indemnified for damages to the same extent as provided for public employees in 52 chapter 258 of the General Laws if the claim arose out of acts performed by the member 53 54 or members while acting within the scope of his official duties, but a member of a retirement board shall not be indemnified for expenses incurred in the defense of an 55 action, or damages awarded in an action, in which there is shown to be a breach of 56 57 fiduciary duty, an act of willful dishonesty or an intentional violation of law by the 58 member.
- Chapter 97 of the Acts of 2007 is hereby further amended by deleting the text of section 3 of said act in its entirety and inserting in place thereof the following:-
  - (a) The Town shall engage an actuary, who shall be a member of the American Academy of Actuaries, to perform an actuarial valuation of the town's OPEB liabilities and funding schedule, as of January 1, 2006, and no less frequently than every second year thereafter. The determinations shall be made in accordance with generally accepted actuarial standards and shall conform to the requirements of GASB 43 and 45 and the actuary shall make a report of the determinations to the town meeting and included in the town report. The report shall, without limitation, detail the demographic and economic actuarial assumptions used in making the determinations, and each report after the first report shall also include an explanation of the changes, if any, in the demographic and economic actuarial assumptions employed and the reasons for the changes. The cost of the bi-annual actuarial evaluation shall be at the Town's expense.
- 72 (b) Beginning in fiscal year 2008, payments for the purposes of meeting the town's cost of OPEB under this act may be made from the Trust Fund.
- 74 SECTION 2. This act shall take effect upon its passage." or take any
- 75 other action relative thereto.

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- 76 This article seeks to amend the enabling legislation for the Town's Other Post-Employment Benefits
- 77 (OPEB) Trust Fund, which was set up to address the Town's future health care costs for its retirees. The

78 79	new language makes technical changes and clarifies that the Town will pay for the required biennial actuarial study.				
	Majority vote required for	passage	Yes _ <u>x</u>	No	
	The Warrant Committee v	vill report orally on thi	s Article.		
	ARTICLE 28		Annual Town Meeting	pril 29, 2009 sess g held in the Belm	
	True copy		Delores A. Keefe,	Town Clerk	